

Message Text

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ORIGIN NEA-10

INFO OCT-01 AF-06 EUR-12 EA-07 ISO-00 EB-07 COME-00 TRSE-00

FRB-03 CIAE-00 DODE-00 INR-07 NSAE-00 PA-01 USIA-06

PRS-01 SP-02 OMB-01 AID-05 XMB-02 AGR-05 L-03 H-02

SS-15 NSC-05 /101 R

DRAFTED BY NEA/RA:DTMORRISON:JR

APPROVED BY NEA:SSOBER

NEA/RA:HMMONTGOMERY

L/NEA:BKHUFFMAN

EB/CSB:JNESVIG

AID/NE:BRICHARDSON

EB/OCA/CM:LAKLIEFORTH

USDA:CALWARD/HNORTON (INFO)

COMM/CAGNE:JHEARN (SUBS)

----- 004693

R 140310Z MAR 76

FM SECSTATE WASHDC

TO AMEMBASSY ABU DHABI

AMEMBASSY ALGIERS

AMEMBASSY AMMAN

AMEMBASSY BEIRUT

AMEMBASSY CAIRO

AMEMBASSY DAMASCUS

AMEMBASSY DOHA

AMEMBASSY JIDDA

AMEMBASSY KUWAIT

AMEMBASSY MANAMA

AMEMBASSY MUSCAT

AMEMBASSY RABAT

AMEMBASSY SANA

AMEMBASSY TEL AVIV

AMEMBASSY TRIPOLI

AMEMBASSY TUNIS

INFO AMCONSUL CASABLANCA

AMEMBASSY ATHENS

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AMEMBASSY BONN

AMCONSUL ALEXANDRIA
AMCONSUL DHAHRAN
AMCONSUL JERUSALEM
AMEMBASSY KHARTOUM
AMEMBASSY LONDON
AMEMBASSY MOGADISCIO
AMEMBASSY NOUAKCHOTT
AMCONSUL ORAN
AMEMBASSY OTTAWA
AMEMBASSY PARIS
AMEMBASSY ROME
AMEMBASSY TOKYO
AMEMBASSY TEHRAN

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E.O. 11652: N/A

TAGS: ETRD, BEXP, XF, XI

SUBJECT: TUNIS COMMERCIAL CONFERENCE ON NEAR EAST AND
NORTH AFRICA: ARAB BOYCOTT

REF: STATE 54392

1. AS MEANS OF ASSISTING CONFERENCE PANELISTS AND ALSO
ADDING TO OUR OWN ENLIGHTENMENT, ADDRESSEES REQUESTED TO
REFLECT ON AND, WHERE INFO OBTAINABLE, REPORT IN ADVANCE
OF CONFERENCE (NLT MARCH 23) ON FOLLOWING BOYCOTT-RELATED
QUESTIONS:

A) ALTHOUGH U.S. ANTI-BOYCOTT POLICY AND NUMEROUS RECENT
ANTI-BOYCOTT MEASURES (OR STATEMENTS) BY FEDERAL AGENCIES
AND VARIOUS STATE GOVERNMENTS (AND BY FEDERAL RESERVE)
HAVE STIRRED SUBSTANTIAL NEGATIVE REACTION IN MANY ARAB
COUNTRIES, INFO AVAILABLE TO STATE AND COMMERCE SUGGESTS NO
MAJOR LOSS TO DATE IN U.S. COMMERCIAL POSITION VIS-A-VIS
OTHER SUPPLIERS IN ARAB MARKETS AS RESULT OF BOYCOTT ISSUE.
CAN POSTS CONFIRM OR REFUTE WITH SPECIFICS?
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B) LIKEWISE, WE HAVE IMPRESSION POSTS HAVE NOT FACED
SIGNIFICANT CURTAILMENT OF TRADE OPPORTUNITY REPORTING AS
RESULT OF NEW COMMERCE/STATE INSTRUCTIONS RE MATERIALS
KNOWN TO CONTAIN BOYCOTT CLAUSES. IS THIS THE CASE?

C) SOME REPORTS ARE TRICKLING IN OF CASE-BY-CASE ACCOMMO-
DATIONS BY ARAB GOVERNMENTS (E.G., MODIFICATION OF

LANGUAGE REQUIRED IN LETTERS OF CREDIT TO ALLOW POSITIVE CERTIFICATION OF ORIGIN) IN RESPONSE TO GROWING CONCERNS OF U.S. BUSINESSMEN RE CONTINUED INCLUSION OF BOYCOTT LANGUAGE IN THEIR HANDLING OF COMMERCIAL TRANSACTIONS. ARE SUCH ACCOMMODATIONS EXCEPTIONAL OR ARE THEY BECOMING RULE?

D) WE HEAR RUMORS OF GOODS BEING HELD UP IN CUSTOMS (IN SAUDI ARABIA) FOR LACK OF NEEDED NEGATIVE BOYCOTT CERTIFICATIONS, BUT WE HAVE NOT GAINED IMPRESSION ON BASIS OF ANY REPORTING FROM EMBASSIES THAT THIS HAS BECOME MAJOR OR WIDESPREAD PROBLEM. IS IT? HAVE ANY OR MANY U.S. FIRMS ATTEMPTED AND SUCCEEDED IN GETTING GOODS THROUGH ON REGULAR BASIS WITHOUT NEGATIVE CERTIFICATION?

E) TO WHAT EXTENT (NOT PREVIOUSLY REPORTED) HAVE RECENT BOYCOTT DEVELOPMENTS IMPACTED OR WILL THEY BE LIKELY TO IMPACT NEGATIVELY ON VARIOUS USG PROGRAMS (E.G., TRADE MISSIONS, PL 480, EXIM, AID)?

F) WHAT CAN WE EXPECT FROM MARCH 24 MEETING OF ARAB LEAGUE BOYCOTT CONFERENCE IN ALEXANDRIA?

G) TO WHAT EXTENT ARE U.S. COMPANIES USING PARTNERS, AGENTS, OR SUBSIDIARIES IN THIRD COUNTRIES AS INTERMEDIARIES TO AVOID NEED FOR INVOLVEMENT/REPORTING REQUIREMENTS ARISING FROM BOYCOTT? IS PRACTICE SO PREVALENT AS TO DISTORT (I.E., UNDERSTATE) U.S. EXPORTS TO ARAB STATES?

H) WHAT PROBLEMS ARISE WITH RESPECT TO LETTERS OF CREDIT? IS USE BEING MADE OF BANKS IN THIRD COUNTRIES AT EXPENSE OF U.S. BANKING INTERESTS?

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I) WHAT HAS BECOME OF SYRIAN DECREE AND LIKE PROPOSALS THAT SUITABLE INVESTMENTS IN ARAB COUNTRIES COULD WASH OUT BLACKLISTING BASED ON PRIOR COMPARABLE OR SMALLER INVESTMENTS IN ISRAEL?

2. REPORTS OF BOYCOTT DEVELOPMENTS AVAILABLE TO INFO ADDRESSEES ON THESE OR RELATED TOPICS ALSO WELCOMED. KISSINGER

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Message Attributes

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